

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2005

	February-05				January-05				December-04				September-04				Current Fiscal YTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
LA Capital	63,816,867	4.4%	4.5%	3.25%	61,260,380	4.3%	4.5%	-3.45%	63,381,809	4.5%	4.5%	10.52%	57,289,937	4.4%	4.5%	-4.17%	5.58%	N/A	N/A	N/A
Total Structured Growth	63,816,867	4.4%	4.5%	3.25%	61,260,380	4.3%	4.5%	-3.45%	63,381,809	4.5%	4.5%	10.52%	57,289,937	4.4%	4.5%	-4.17%	5.58%	19.20%	-5.87%	-7.07%
<i>Russell 1000 Growth</i>				1.06%				-3.35%				9.17%				-5.23%	1.07%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																				
LSV	71,188,127	4.9%	4.5%	3.81%	67,929,268	4.7%	4.5%	-1.58%	68,939,391	4.9%	4.5%	9.12%	63,142,110	4.8%	4.5%	3.11%	14.96%	29.44%	9.20%	8.31%
<i>Russell 1000 Value</i>				3.31%				-1.78%				10.38%				1.54%	13.74%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>																				
LA Capital	87,624,499	6.0%	6.0%	2.94%	81,690,830	5.7%	6.0%	-2.63%	83,813,243	5.9%	6.0%	9.18%	76,718,414	5.8%	6.0%	-2.24%	6.98%	18.59%	-0.17%	N/A
<i>Russell 1000</i>				2.25%				-2.52%				9.80%				-1.81%	7.46%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>																				
Northern Trust	87,429,765	6.0%	6.0%	2.14%	82,533,086	5.8%	6.0%	-2.35%	84,480,927	6.0%	6.0%	9.18%	77,325,237	5.9%	6.0%	-2.17%	6.54%	19.00%	-0.31%	N/A
Strong	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	64	0.0%	0.0%	N/A	N/A	21.13%	-0.06%	N/A
Westridge	87,303,647	6.0%	6.0%	2.13%	82,320,882	5.7%	6.0%	-2.40%	84,258,203	6.0%	6.0%	9.50%	77,034,816	5.9%	6.0%	-1.94%	7.02%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	174,733,413	12.0%	12.0%	2.13%	164,853,968	11.5%	12.0%	-2.38%	168,739,130	11.9%	12.0%	9.34%	154,360,118	11.8%	12.0%	-2.13%	6.70%	19.81%	-0.24%	N/A
<i>S&P 500</i>				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>																				
State Street	43,192,698	3.0%	3.0%	2.11%	41,914,570	2.9%	3.0%	-2.43%	42,923,070	3.0%	3.0%	9.23%	39,268,327	3.0%	3.0%	-1.87%	6.79%	19.08%	-0.67%	-2.17%
<i>S&P 500</i>				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	440,555,604	30.2%	30.0%	2.73%	417,649,015	29.1%	30.0%	-2.46%	427,796,643	30.2%	30.0%	9.44%	390,778,905	29.8%	30.0%	-1.59%	7.91%	20.38%	0.08%	-2.14%
<i>S&P 500</i>				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	145,317,064	10.0%	10.0%	1.88%	142,722,754	10.0%	10.0%	-4.41%	155,365,101	11.0%	10.0%	14.79%	135,169,121	10.3%	10.0%	-3.59%	7.77%	33.33%	5.76%	N/A
<i>Russell 2000 + 200bp</i>				1.86%				-4.01%				14.64%				-2.36%	9.44%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	145,317,064	10.0%	10.0%	1.88%	142,722,754	10.0%	10.0%	-4.41%	155,365,101	11.0%	10.0%	14.79%	135,169,121	10.3%	10.0%	-3.59%	7.77%	33.33%	5.76%	6.81%
<i>Russell 2000</i>				1.69%				-4.17%				14.09%				-2.86%	8.01%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY																				
<i>Large Cap - Core</i>																				
State Street	15,937,888	1.1%	1.0%	4.32%	15,274,914	1.1%	1.0%	-1.85%	15,537,847	1.1%	1.0%	10.22%	26,805,666	2.0%	2.0%	-1.24%	11.46%	27.44%	0.42%	-1.44%
<i>MSCI EAFE (1)</i>				4.32%				-1.83%				11.69%				-0.72%	13.56%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>																				
Capital Guardian	45,576,647	3.1%	3.0%	3.29%	44,080,532	3.1%	3.0%	-0.86%	44,441,060	3.1%	3.0%	10.34%	64,488,204	4.9%	5.0%	-1.48%	11.32%	25.40%	-1.15%	1.54%
LSV	44,511,157	3.1%	3.0%	4.61%	42,541,085	3.0%	3.0%	0.48%	42,260,547	3.0%	3.0%		-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(68)	0.0%	0.0%	N/A	8,276	0.0%	0.0%	N/A	(5,616)	0.0%	0.0%		-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	15,370,489	1.1%	1.0%	3.80%	14,845,118	1.0%	1.0%	-3.42%	15,341,679	1.1%	1.0%	16.02%	13,174,680	1.0%	1.0%	-1.07%	15.07%	23.61%	N/A	N/A
Total Large Cap - Active	105,458,225	7.2%	7.0%	3.92%	101,475,012	7.1%	7.0%	-0.69%	102,037,670	7.2%	7.0%	11.63%	77,662,885	5.9%	6.0%	-1.41%	13.59%	25.11%	-0.79%	1.76%
<i>MSCI EAFE - 50% Hedged</i>				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>																				
Lazard	15,827,997	1.1%	1.0%	4.66%	15,138,053	1.1%	1.0%	0.86%	14,979,685	1.1%	1.0%	16.15%	14,085,757	1.1%	1.0%	0.76%	23.53%	44.40%	N/A	N/A
Wellington	15,632,694	1.1%	1.0%	3.05%	15,200,845	1.1%	1.0%	3.45%	14,664,511	1.0%	1.0%	13.12%	12,921,174	1.0%	1.0%	-4.63%	15.01%	42.26%	N/A	N/A
Total Small Cap - Active	31,460,691	2.2%	2.0%	3.85%	30,338,898	2.1%	2.0%	2.14%	29,644,196	2.1%	2.0%	14.63%	27,006,931	2.1%	2.0%	-1.92%	19.26%	43.25%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				4.20%				2.20%				16.82%				-0.82%	23.38%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	152,856,804	10.5%	10.0%	3.95%	147,088,824	10.3%	10.0%	-0.24%	147,219,713	10.4%	10.0%	11.66%	131,475,481	10.0%	10.0%	-1.47%	14.08%	29.19%	2.00%	1.63%
<i>MSCI EAFE - 50% Hedged</i>				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY																				
<i>Capital Guardian</i>																				
MSCI Emerging Markets Free	83,243,797	5.7%	5.0%	7.36%	77,535,045	5.4%	5.0%	0.62%	77,057,547	5.4%	5.0%	15.37%	66,748,065	5.1%	5.0%	7.64%	34.16%	27.91%	8.93%	2.83%
				8.78%				0.32%				17.27%				8.25%	38.53%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	29,300,357	2.0%	1.9%	-0.50%	33,384,511	2.3%	1.9%	0.28%	33,256,225	2.4%	2.5%	1.25%	32,846,945	2.5%	2.4%	3.67%	4.73%	2.02%	8.00%	8.39%
<i>Lehman Aggregate</i>				-0.59%				0.63%				0.96%				3.20%	4.22%	0.32%	6.35%	6.95%
<i>Active Duration</i>																				
WestAM (Criterion)	28,955,276	2.0%	1.9%	-0.43%	32,973,760	2.3%	1.9%	0.49%	32,797,675	2.3%	2.5%	1.06%	32,455,709	2.5%	2.4%	2.75%	3.89%	-0.25%	5.14%	6.43%
<i>Lehman Aggregate</i>				-0.59%				0.63%				0.96%				3.20%	4.22%	0.32%	6.35%	6.95%
<i>Index</i>																				
Bank of ND	58,197,526	4.0%	4.6%	-0.72%	58,097,511	4.1%	4.5%	0.71%	55,401,290	3.9%	4.5%	0.70%	54,841,820	4.2%	4.4%	3.46%	4.15%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	20,951,170	1.4%	1.4%	0.39%	21,403,036	1.5%	1.5%	0.43%	21,750,641	1.5%	1.5%	1.26%	21,639,059	1.6%	1.6%	1.21%	3.32%	5.08%	5.57%	5.70%
Total Index	79,148,696	5.4%	6.0%	-0.40%	79,500,546	5.5%	6.0%	0.62%	77,151,931	5.5%	6.0%	0.87%	76,480,879	5.8%	6.0%	3.05%	4.17%	0.23%	6.79%	6.83%
<i>Lehman Gov/Credit</i>				-0.66%				0.69%				0.80%				3.56%	4.42%	-0.72%	6.73%	7.10%
<i>Convertibles</i>																				
TCW	33,814,315	2.3%	1.9%	-0.32%	33,775,142	2.4%	1.9%	-1.98%	34,615,916	2.4%	2.5%	8.54%	31,900,431	2.4%	2.4%	-3.94%	1.87%	16.74%	0.51%	3.89%
<i>Merrill Lynch All Convertibles</i>				-0.73%				-2.29%				5.37%				-1.05%	1.13%	14.44%	4.95%	5.78%

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	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
BBB Average Quality																				
Wells Capital (formerly Strong)	33,576,083	2.3%	1.9%	-0.17%	33,757,146	2.4%	1.9%	1.43%	33,418,092	2.4%	2.5%	3.94%	32,084,003	2.4%	2.4%	4.62%	10.10%	1.29%	6.26%	7.23%
<i>Lehman BBB</i>				-0.50%				1.56%				1.69%				4.76%	7.66%	1.23%	8.23%	6.60%
Timberland																				
RMK	40,946,408	2.8%	2.8%	-0.07%	40,986,662	2.9%	2.9%	-0.07%	40,962,734	2.9%	2.9%	8.02%	38,262,677	2.9%	2.9%	3.86%	12.02%	10.46%	N/A	N/A
TIR	108,200,889	7.4%	7.4%	-0.07%	108,338,543	7.6%	7.6%	48.02%	73,151,431	5.2%	5.2%	0.43%	73,069,727	5.6%	5.6%	N/A	N/A	N/A	N/A	N/A
Total Timberland	149,147,297	10.2%	10.2%	-0.07%	149,325,206	10.4%	10.4%	30.75%	114,114,165	8.1%	8.1%	3.04%	111,332,404	8.5%	8.5%	3.86%	39.82%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	353,942,023	24.3%	24.0%	-0.25%	362,716,311	25.3%	24.0%	10.88%	325,354,003	23.0%	24.0%	2.69%	317,100,371	24.2%	24.0%	2.69%	16.64%	5.08%	6.35%	7.34%
<i>Lehman Aggregate</i>				-0.59%				0.63%				0.96%				3.20%	4.22%	0.32%	6.35%	6.95%
HIGH YIELD BONDS																				
Loomis Sayles	37,259,035	2.6%	2.5%	2.31%	36,454,634	2.5%	2.5%	0.04%	36,423,318	2.6%	2.5%		33,996,575	2.6%	2.5%		16.49%	N/A	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				1.45%				-0.12%									11.02%	N/A	N/A	N/A
Sutter/Wells Capital	35,602,301	2.4%	2.5%	0.99%	35,276,323	2.5%	2.5%	-0.14%	35,307,858	2.5%	2.5%		33,962,583	2.6%	2.5%		9.27%	N/A	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				1.43%				-0.10%									10.84%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	72,861,336	5.0%	5.0%	1.66%	71,730,957	5.0%	5.0%	-0.05%	71,731,176	5.1%	5.0%		67,959,158	5.2%	5.0%		12.85%	7.69%	6.68%	2.79%
<i>Lehman High Yield Bond Index</i>				1.47%				-0.13%									11.11%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME																				
International Sovereign																				
UBS Global (Brinson)	34,870,191	2.4%	2.5%	0.24%	34,812,392	2.4%	2.5%	-1.96%	35,444,859	2.5%	2.5%	10.41%	31,745,541	2.4%	2.5%	3.06%	11.82%	7.86%	14.20%	6.47%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				0.38%				-1.92%				10.63%				3.29%	12.51%	7.59%	13.65%	6.84%
International Core																				
Brandywine	35,076,980	2.4%	2.5%	1.74%	34,523,363	2.4%	2.5%	-2.35%	35,468,468	2.5%	2.5%	9.22%	32,681,900	2.5%	2.5%	4.74%	13.64%	9.65%	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				0.67%				-2.07%				10.66%				3.49%	12.91%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	69,947,170	4.8%	5.0%	0.98%	69,335,755	4.8%	5.0%	-2.16%	70,913,327	5.0%	5.0%	9.81%	64,427,440	4.9%	5.0%	3.90%	12.73%	8.78%	14.41%	6.59%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				0.38%				-1.92%				10.63%				3.29%	12.51%	7.59%	13.65%	6.84%
REAL ESTATE																				
JMB	-			N/A	-			N/A	-			-86.10%	10,054			16.49%	N/A	1.45%	-5.90%	-3.04%
INVESCO	35,220,319			0.00%	31,876,543			5.07%	28,248,117			-0.43%	27,191,276			-5.91%	-1.56%	6.72%	5.80%	7.59%
J.P. Morgan	33,816,923			0.80%	36,890,951			1.17%	36,463,461			2.85%	35,451,816			3.83%	8.92%	11.11%	7.63%	9.54%
TOTAL REAL ESTATE	69,037,241	4.7%	5.0%	0.39%	68,767,494	4.8%	5.0%	3.02%	64,711,578	4.6%	5.0%	1.27%	62,653,146	4.8%	5.0%	-0.88%	3.82%	8.87%	6.70%	8.55%
<i>NCREIF TOTAL INDEX</i>				1.54%				1.54%				4.69%				3.42%	11.63%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS																				
Brinson IVCF II	122,330			0.00%	170,179			0.00%	170,179			0.49%	169,353			0.40%	0.89%	19.39%	-7.72%	4.43%
Coral Partners II	170,179			0.00%	122,330			0.00%	121,653			-0.07%	120,310			-0.35%	-0.42%	14.14%	-16.27%	-15.91%
Coral Partners V	5,225,262			0.00%	5,606,687			0.00%	5,605,166			-4.59%	5,897,185			6.37%	1.49%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	683,120			0.00%	662,155			0.00%	661,975			2.90%	701,331			2.37%	5.34%	30.44%	N/A	N/A
Coral Partners VI	3,705,936			0.00%	3,612,373			0.00%	3,611,394			-2.08%	3,813,950			-0.28%	-2.35%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,255,958			0.00%	1,415,785			0.00%	1,415,402			-0.98%	1,687,069			3.37%	2.35%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	2,580,564			0.00%	2,576,327			0.00%	2,575,629			2.80%	2,515,067			0.48%	3.29%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	4,595,701			0.00%	4,795,493			0.00%	4,794,194			3.30%	4,658,652			3.01%	6.41%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	2,566,911			0.00%	2,562,696			0.00%	2,562,002			1.05%	2,104,781			0.81%	1.87%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	1,615,648			0.00%	1,612,995			0.00%	1,612,558			-4.00%	1,184,946			-4.97%	-8.76%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	256,136			0.00%	255,715			0.00%	255,646			2.02%	158,669			-2.71%	-0.74%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,465,908			0.00%	1,463,501			0.00%	1,463,105			7.91%	1,453,381			5.73%	14.09%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	1,672,307			0.00%	1,669,561			0.00%	1,669,108			2.89%	1,772,133			3.24%	6.22%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	1,260,553			0.00%	1,258,483			0.00%	1,258,142			-1.63%	1,082,438			0.86%	-0.79%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	2,294,885			0.00%	2,060,158			0.00%	2,059,600			6.60%	1,765,806			0.27%	6.89%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	912,786			0.00%	554,358			0.00%	554,208			-0.78%	381,594			-0.12%	-0.90%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	146,372			0.00%	72,452			0.00%	72,432			-1.76%	74,010			0.09%	-1.67%	N/A	N/A	N/A
Brinson BVCF IV	7,702,794			0.00%	7,690,145			0.00%	7,486,656			-0.88%	8,328,279			6.66%	5.72%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	5,596,591			0.00%	5,587,401			0.00%	5,585,887			4.11%	8,162,327			-3.26%	0.72%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	3,856,489			0.00%	4,299,791			0.00%	4,298,626			-1.12%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	1,872,534			0.00%	1,869,460			0.00%	1,868,953			0.00%	1,876,070			17.28%	17.28%	-7.73%	N/A	N/A
Hearthstone MSII	-			N/A	-			N/A	0			536.18%	213,768			106.69%	N/A	28.64%	20.32%	N/A
Hearthstone MSIII	10,982,351			0.00%	10,964,316			0.00%	9,777,218			1.26%	9,692,693			-0.08%	1.18%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	60,541,315	4.2%	5.0%	0.00%	60,882,360	4.2%	5.0%	0.00%	59,479,735	4.2%	5.0%	2.55%	57,813,811	4.4%	5.0%	2.90%	5.53%	3.23%	-12.85%	-1.69%
CASH EQUIVALENTS																				
Northern Trust STIF/STEP	9,977,687	0.7%	1.0%	0.22%	14,506,634	1.0%	1.0%	0.20%	15,471,006	1.1%	1.0%	0.45%	17,787,580	1.4%	1.0%	0.44%	1.31%	1.44%	1.86%	3.48%
<i>90 Day T-Bill</i>				0.16%				0.17%				0.48%				0.37%	1.18%	0.98%	1.71%	3.29%
TOTAL FUND	1,458,280,042	100.0%	100.0%	1.87%	1,432,935,150	100.0%	100.0%	1.31%	1,415,099,829	100.0%	100.0%	7.85%	1,311,913,079	100.0%	100.0%	0.50%	11.87%	16.66%	4.65%	3.78%
POLICY TARGET BENCHMARK				1.64%				-1.06%				7.46%				0.99%	9.14%	14.79%	4.29%	3.62%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.